



## **Independent Auditors' Report**

TO,  
THE MEMBERS OF M/s VDEAL SYSTEM PRIVATE LIMITED

### **Opinion**

We have audited the accompanying Standalone financial statements of M/s VDEAL SYSTEM PRIVATE LIMITED (here in after referred as the Company), CIN- U31100OR2009PTC011396 having registered office at PLOT NO. 4/A, 4/B & 6, JANLA INDUSTRIAL AREA, JATNI-752054 which comprises the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and loss and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Other Information**

The Company's management and the Board of Directors are responsible for the other information. The



other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,



misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government in terms of section 143 (11) of the Act, we give in the 'Annexure - A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

A. As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The standalone balance sheet and the standalone statement of profit and loss dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act;
- f) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, not applicable to this Company.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has no pending litigations, hence no impact on its financial position in its financial Statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For DACS & ASSOCIATES

Chartered Accountants

FRN:326882E



*Dipayan Das*

Dipayan Das  
(Partner)

M.No.:064532

UDIN: 21064532AAAAAD9844

Place: Bhubaneswar

Date: 23-12-2020

**“Annexure – A” referred to in paragraph 1 under the heading “Report on other legal and regulatory Requirements” of our report of even date to the financial statements of the Company M/s VDEAL SYSTEM PRIVATE LIMITED for the year ended March 31, 2020:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) to (c) of the Order are not applicable to the Company and hence, not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees and security.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, in respect of the activities carried on by the company.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods & Services Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.



According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

(b) According to the information and explanation given to us, there are no dues of income tax, Goods & Services Tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

(c) There has been no default in transferring the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956).

- (viii) In our opinion and according to the information and explanation given to us, the company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. Also the term loans, if any have been applied for the purposes for which they were obtained.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has not been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.



- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For DACS & ASSOCIATES**

**Chartered Accountants**

**FRN:326882E**



**UDIN:** 21064532AAAAAD9844

**Place:** Bhubaneswar

**Date:** 23-12-2020

**Dipayan Das**  
**(Partner)**

**M.No.:064532**

“Annexure – B” referred to in paragraph 1A(f) under the heading “Report on other legal and regulatory Requirements” of our report of even date to the financial statements of the Company M/s VDEAL SYSTEM PRIVATE LIMITED for the year ended March 31, 2020:

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

**Opinion**

We have audited the internal financial controls with reference to the standalone financial statements of M/s VDEAL SYSTEM PRIVATE LIMITED as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ‘Guidance Note’) issued by the Institute of Chartered Accountants of India (the ‘ICAI’).

**Management’s Responsibility for Internal Financial Controls**

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the ‘Act’).

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the





assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the standalone financial statements.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For DACS & ASSOCIATES**

**Chartered Accountants**

**FRN:326882E**



**Dipayan Das  
(Partner)**

**M.No.:064532**

UDIN: 21064532AAAAAD9844

Place: Bhubaneswar

Date: 23-12-2020

**M/S VDEAL SYSTEM PRIVATE LIMITED**  
PLOT NO-4/A, 4/B, 6; JANLA INDUSTRIAL AREA, JATNI, KHORDHA  
ODISHA-752054

**AUDITED BALANCE SHEET AS ON 31ST MARCH'2020**

Particulars	Note No	Current Year Amount (Rs) As On 31.03.2020	Previous Year Amount (Rs) As On 31.03.2019
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	2,978,600	2,978,600
(b) Reserves and Surplus	2	15,597,195	14,603,921
(c) Money received against share warrants			
(2) Share application money pending allotment			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	22,485,572	12,280,858
(b) Deferred tax liabilities (Net)			
(c) Other Long term liabilities			
(d) Unsecured Loan		1,801,343	1,801,343
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	4	34,506,160	26,315,622
(b) Trade payables	5	33,751,599	43,152,297
(c) Other current liabilities	6	6,994,724	3,588,886
(d) Short-term provisions	7	331,438	988,639
<b>Total</b>		<b>118,446,631</b>	<b>105,710,166</b>
<b>II. ASSETS</b>			
<b>(I) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	8	22,877,604	10,021,782
(ii) Intangible assets			
(iii) Capital work-in-progress		115,506	263,172
(iv) Intangible assets under development			
(b) Non-current investments			
(c) Deferred tax assets (net)	9	18,631	36,181
(d) Long term loans and advances	10	1,083,339	1,110,216
(e) Other non-current assets			
<b>(2) Current assets</b>			
(a) Current Investment			
(b) Inventories	11	49,994,971	26,082,915
(c) Trade receivables	12	23,506,604	51,128,225
(d) Cash and cash equivalents	13	8,533,512	8,283,140
(e) Short-term loans and advances	14	12,316,464	8,634,886
(f) Other current assets			149,649
<b>Total</b>		<b>118,446,631</b>	<b>105,710,166</b>


As per our report of even date attached  
For D A C S & Associates  
Chartered Accountants  
FRN: 326882E

(CA. Dipayan Das)  
Partner  
M.No: 064532  
Place: Bhubaneswar  
Date: 23-12-2020



For & on behalf of the board  
**VDEAL SYSTEM PVT. LTD.**

  
**MANAGING DIRECTOR**  
Dhuraj Kochar  
(Managing Director)

  
**DIRECTOR**  
Vimal Prakash Kochar  
(Director)

**VDEAL SYSTEM PVT.LTD**

**M/S VDEAL SYSTEM PRIVATE LIMITED**

PLOT NO-4/A, 4/B, 6; JANLA INDUSTRIAL AREA, JATNI, KHORDHA

ODISHA-752054

**AUDITED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	Note No	Current Year Amount (Rs) Ending On 31.03.2020	Previous Year Amount (Rs) Ending On 31.03.2019
I. Revenue from Operations	15	101,682,000	136,933,981
II. Other Income	16	7,327,838	399,022
<b>III. Total Revenue (I +II)</b>		<b>109,009,838</b>	<b>137,333,003</b>
<b>IV. Expenses:</b>			
Cost of Materials Purchased	17	101,957,780	111,931,760
Direct Expenses	18	2,451,288	2,213,640
Changes in Inventories	19	(23,912,056)	(2,146,070)
Employee Benefit Expenses	20	13,598,538	10,948,231
Finance Costs	21	5,235,121	4,205,706
Depreciation and Amortization Expenses	22	3,089,451	1,929,227
Other Expenses	23	5,247,454	4,835,842
<b>Total Expenses</b>		<b>107,667,576</b>	<b>133,918,336</b>
V. Profit/(Loss) before tax		1,342,262	3,414,667
VII. Profit/(Loss) After Depreciation		1,342,262	3,414,667
VII. Tax expense:			
(1) Current tax		331,438	988,639
(2) Deferred tax		(17,550)	100,825
X. Profit/(Loss) after Taxation transferred to Reserve & Surplus		993,274	2,526,853
		993,274	2,526,853
Earning per equity share of face value of Rs 100 Each Basic & Diluted		33.35	84.83

As per our report of even date attached

**For D A C S & Associates**

Chartered Accountants

FRN: 326882E

*Dipayan Das*



**(CA. Dipayan Das)**

Partner

M.No: 064532

Place: Bhubaneswar

Date: *23-12-2020*

For & on behalf of the board

**VDEAL SYSTEM PVT. LTD.**

*Dhiraj Kochar*  
**MANAGING DIRECTOR**

Dhiraj Kochar  
(Managing Director)

**VDEAL SYSTEM PVT.LTD**

*Vimal Prakash Kochar*  
**DIRECTOR**

Vimal Prakash Kochar  
(Director)

**M/S VDEAL SYSTEM PRIVATE LIMITED**  
**Notes forming part of the Balance Sheet**

Note-1	31.03.2020	31.03.2019
<u>SHARE CAPITAL</u>	<u>Amount(Rs)</u>	<u>Amount(Rs)</u>
<b>AUTHORISED CAPITAL</b>		
40,000 Equity shares of Rs. 100.00 each	4,000,000	4,000,000
	<u>4,000,000</u>	<u>4,000,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
10000 Equity Shares of Rs. 100.00 each	1,000,000	1,000,000
19786 Equity Shares of Rs 100.00 each (For Takeover of Vdeal Systems)	1,978,600	1,978,600
	<u>2,978,600</u>	<u>2,978,600</u>

**1. a The details of Shareholders holding more than 5% Shares:**

As on 31 st March 2020

Sl	Name of Share Holders	Classes of Shares	No of Shares	Percentage of Holding
1	Dhiraj Kochar	Equity Share	23,972	80.48%
2	Vimal Prakash kochar	Equity Share	2,907	9.76%
3	Manju Shree Kochar	Equity Share	2,907	9.76%
			29,786	100%

As on 31 st March 2019

Sl	Name of Share Holders	Classes of Shares	No of Shares	Percentage of Holding
1	Dhiraj Kochar	Equity Share	23,972	80.48%
2	Vimal Prakash kochar	Equity Share	2,907	9.76%
3	Manju Shree Kochar	Equity Share	2,907	9.76%
			29,786	100%

**1.b Reconciliation of Nos of Shares**

Number of Equity Shares at the beginning	29,786	29,786
Add: Issued during the year		-
Number of Equity Shares at the end	<u>29,786</u>	<u>29,786</u>

Note-2	31.03.2020	31.3.2019
<u>RESERVE &amp; SURPLUS</u>	<u>Amount(Rs)</u>	<u>Amount(Rs)</u>
<u>Profit &amp; Loss Account</u>		
Opening Balance	14,603,921	12,077,068
Add-Profit during the Year	993,274	2,526,853
	<u>15,597,195</u>	<u>14,603,921</u>

**Note-3**

**LONG TERM BORROWING (Secured Term Loans)**

Car Loan form HDFC Bank	1,331,303	311,478
Term Loan from Karnatak Bank	11,587,946	7,199,600
Capital First	1,770,318	2,702,819
United Petro Finance Ltd	-	2,066,961
Tata Capital Financial Services Ltd.	1,847,227	
Fullerton Indian Credit Co. Ltd.	2,253,192	
Aditya Birla Capital	3,695,586	
	<u>22,485,572</u>	<u>12,280,858</u>

- 3.a The Company is generally regular in repayment of interest and principal dues.  
3.b Term Loan from respective banks and financial institution are secured by their respective assets.



**Note-4****SHORT TERM BORROWINGS**

	<u>31.03.2020</u>	<u>31.3.2019</u>
	<u>Amount(Rs)</u>	<u>Amount(Rs)</u>
<b><u>Secured</u></b>		
1 <u>Loan Repayable on Demand</u>		
CC Loan form Karnatak Bank	20,365,890	21,309,046
	<u>20,365,890</u>	<u>21,309,046</u>

**SHORT TERM BORROWINGS****UnSecured**

	<u>Amount(Rs)</u>	<u>Amount(Rs)</u>
Working Capital Loan		
- From Canara Bank		
- Channel Finance (ABB-ICICI Bank)	14,140,270	5,006,576
	<u>14,140,270</u>	<u>5,006,576</u>
<b>Total</b>	<u>34,506,160</u>	<u>26,315,622</u>

4.a The company is generally regular in repayment of principal and interest.

4.b Working Capital Facility from Karnatak Bank ,Main Branch is primary secured by:

> Hypothecation of construction Materials, stores, Consumables, Spares, Trade receivables ,& Other current assets of the company both present & future.

**Note-5****TRADE PAYABLE**

Micro,small and Medium Enterprises

Others	33,751,599	43,152,297
	<u>33,751,599</u>	<u>43,152,297</u>

The company has not received any intimation from "suppliers" regarding status under the Micro, Small and Medium Enterprises Development Act 2006 and hence disclosures,if any, relating to amount unpaid as at the year end together with the interest paid/payable as required under the said act have not been furnished.

**Note-6****OTHER CURRENT LIABILITIES**

Audit Fees Payable	76,700	74,000
TDS Payable	44,373	39,406
Payable to Employees	998,326	510,224
EPF Payable	34,906	27,607
ESIC Payable	5,309	7,310
GST Payable	-	2,878,665
Professional Tax Payable	6,300	30,525
Telephone Charges Payable	1,856	5,525
Expenses Payable	-	
Electricity Charges Payable	-	15,624
Advance Against Bill	5,826,954	
	<u>6,994,724</u>	<u>3,588,886</u>

**Note-7****SHORT TERM PROVISION**

Provision for Income Tax Current Year	331,438	988,639
	<u>331,438</u>	<u>988,639</u>



Note-10	31.03.2020	31.3.2019
<b><u>LONG TERM LOANS &amp; ADVANCE</u></b>		
<b><u>(Loans &amp; Advances)</u></b>	<b><u>Amount(Rs)</u></b>	<b><u>Amount(Rs)</u></b>
Tender EMD Security	22,500	22,500
Security Money with ABB	25,000	25,000
Security Deposit for Sale Tax	2,000	2,000
Security Deposit for Entry Tax	371,444	371,444
Security Deposit for CST	486,272	486,272
Security Deposit for CO2 Gas	26,123	8,000
Rent Advance	150,000	195,000
	<b><u>1,083,339</u></b>	<b><u>1,110,216</u></b>

Note-11	31.03.2020	31.3.2019
<b><u>INVENTORIES</u></b>		
Work in Progress	-	-
Inventories of finished goods	49,994,971	26,082,915
	<b><u>49,994,971</u></b>	<b><u>26,082,915</u></b>

Note-12	31.03.2020	31.3.2019
<b><u>TRADE RECEIVABLE</u></b>		
Outstanding for a period exceeding six months	-	-
Others	23,506,604	51,128,225
	<b><u>23,506,604</u></b>	<b><u>51,128,225</u></b>

Note-13	31.03.2020	31.3.2019
<b><u>CASH &amp; CASH EQUIVALENTS</u></b>		
<b><u>Cash Balance</u></b>		
Cash in Hand	18,912	33,816
<b><u>Bank Balance</u></b>		
In current accounts	581,336	165,921
Fixed Deposits at Karnatak Bank	7,864,576	6,468,679
Fixed Deposits at Canara Bank	68,688	1,614,724
	<b><u>8,533,512</u></b>	<b><u>8,283,140</u></b>

Note-14	31.03.2020	31.3.2019
<b><u>SHORT TERM LOANS AND ADVANCES</u></b>		
Advance to Staff	490,000	389,382
Advance to suppliers	7,057,525	7,873,687
Advance Income Tax /TDS	-	100,000
TDS Receivable	103,355	265,582
TCS Receivable	13,673	-
GST Receivable	4,651,912	6,235
	<b><u>12,316,465</u></b>	<b><u>8,634,886</u></b>



**M/S VDEAL SYSTEM PRIVATE LIMITED**  
**Notes forming part of the Profit & Loss Account**

	<u>31.03.2020</u> Amount (Rs)	<u>31.3.2019</u> Amount (Rs)
<b>Note-15</b>		
<b><u>REVENUE FROM OPERATIONS</u></b>		
Gross Sale	101,682,000	136,933,981
	<u>101,682,000</u>	<u>136,933,981</u>
<b>Note-16</b>		
<b><u>OTHER INCOME</u></b>		
Interest Income	676,882	399,022
Commission Received	868,980	
Received from Bajaj Allianz (Repair & Maintenance)	599,158	
Received from Bajaj Allianz	5,182,818	
	<u>7,327,838</u>	<u>399,022</u>
<b>Note-17</b>		
<b><u>COST OF MATERIAL CONSUMED</u></b>		
Opening Stock	-	-
Add: Purchase of Material	101,103,103	110,962,414
Carriage Inward	854,677	969,346
	101,957,780	111,931,760
Less: Closing stock	-	-
	<u>101,957,780</u>	<u>111,931,760</u>
<b>Note-18</b>		
<b><u>OPERATING EXPENSES</u></b>		
Loading and Unloading Charges	68,210	97,680
Fabrication Charges	258,396	323,757
Carriage Outward charges	682,087	621,075
Insurance Expenses	474,691	378,704
Security Service Charges	104,881	83,172
Store & Spare	54,273	-
Factory Building Maintenance Charges	411,397	394,990
Testing Fees	-	172,305
Vehicle Running & Maintenance Charges	227,087	141,957
Generator Running & maint.expenses	170,266	
	<u>2,451,288</u>	<u>2,213,640</u>



**Note-19**

	31.03.2020	31.3.2019
<b><u>CHANGE IN INVENTORIES /WORK IN PROGRESS</u></b>	<b><u>Amount(Rs)</u></b>	<b><u>Amount(Rs)</u></b>
Closing Stock	49,994,971	26,082,915
	49,994,971	26,082,915
Less: Opening Stock	26,082,915	23,936,845
(Increase/Decrease of Inventories/WIP)	<b><u>(23,912,056)</u></b>	<b><u>(2,146,070)</u></b>

**Note-20****EMPLOYEE BENEFIT EXPENSES**

Salary to Staff (Re-grouped)	9,933,487	7,124,851
Staff Welfare	766,788	576,515
Bonus	665,568	690,324
Employer Contribution to EPF	202,943	185,231
Employer Contribution to ESI	49,752	71,310
Director Remuneration	1,980,000	2,300,000
	<b><u>13,598,538</u></b>	<b><u>10,948,231</u></b>

**Note-21****FINANCE COSTS**

Interest on Term Loan	866,551	181,012
Interest on Cash Credit	3,085,047	2,890,159
Interest on other Loan	1,283,523	1,134,535
	<b><u>5,235,121</u></b>	<b><u>4,205,706</u></b>

**Note-22****DEPRECIATION & AMORTIZATION EXP**

Depreciation	3,089,451	1,929,227
	<b><u>3,089,451</u></b>	<b><u>1,929,227</u></b>





Note-23

**OTHER EXPENSES**

**ADMINISTRATIVE EXPENSES**

	<b>31.03.2020</b>	<b>31.3.2019</b>
	<b><u>Amount(Rs)</u></b>	<b><u>Amount(Rs)</u></b>
Bank Charges	42,816	43,718
Bank Commission on Bank Guarantee	134,201	175,745
Business Promotion Expenses	626,827	722,400
Consultancy Fees	3,100	802,665
Electricity Charges	136,821	190,218
Statutory Audit Fees	59,000	59,000
Tax Audit Fees	17,700	15,000
Filing Fees	5,100	23,500
General Expenses	446,231	283,160
Internet Charges	82,619	49,658
Legal Expenses	135,665	21,790
Repair & Maintenance	193,727	150,630
Postage & Courier Charges	20,640	38,619
Tender Document Charges		14,052
Telephone Charges	61,206	93,527
Printing & Stationery	85,728	24,582
Travelling & Conveyance	606,250	879,126
Processing fees on Laon	135,117	282,799
Registration & Renewal Fees	524,190	127,358
Office Expenses	65,000	42,150
Arrear on EPF	9,497	5,386
Donation	30,900	34,900
Water Rent		7,080
Office Rent	91,600	120,000
Godown Rent IDCO		31,925
Wiring Charges	561,505	566,859
Entertainment Exp	91,367	29,995
Books & Periodicals	3,552	
CST Demand for Assessment	84,018	
Non Moving stock	320,503	
Salvage Value	626,000	
Abnormal Loss	7,956	
Late Delivery Charges	38,023	
Interest on TDS	596	
	<b><u>5,247,454</u></b>	<b><u>4,835,842</u></b>



Note-8A

M/S VDEAL SYSTEM PRIVATE LIMITED

Depreciation Schedule as per IT Act-2019-20

Items	Rate	Net Asset As		Addition For More Than 180 Days	Addition for less than 180 Days	sold/adjust during year	Total	Dep At Full		Dep At Half		Total	Net Asset As On 31.03.20
		On 31.03.19						Rate	Rate	Rate	Rate		
Factory Building (Leaschold)	10	5,882,679					5,882,679	588,268	-		588,268	5,294,411	
Plant & Machinery	15	1,158,510	7,069,080	6,003,660			14,231,250	1,234,139	450,275		1,684,413	12,546,837	
Electrical Equipment	15	524,930	189,537	367,200			1,081,667	107,170	27,540		134,710	946,957	
Furniture & Fixtures	10	676,573		424,599			1,101,172	67,657	21,230		88,887	1,012,285	
Computer & Printer	40	265,240	170,338	187,415			622,993	174,231	37,483		211,714	411,279	
Car	15	759,236					759,236	113,885	-		113,885	645,351	
Sap Software	40	477,042	65,000	65,000			607,042	216,817	13,000		229,817	377,225	
Mahindra XUV500	15			1,380,944			1,380,944	-	103,571		103,571	1,277,373	
Electronic Equipment	15			22,500			22,500	-	1,688		1,688	20,813	
<b>Total</b>		<b>9,744,210</b>	<b>7,493,955</b>	<b>8,451,318</b>			<b>25,689,483</b>	<b>2,502,167</b>	<b>654,786</b>		<b>3,156,953</b>	<b>22,532,530</b>	

Capital Work In Progress

Building Work In Progress							115,506						115,506
<b>Total</b>							<b>115,506</b>						<b>115,506</b>



**M/S VDEAL SYSTEM PRIVATE LIMITED**  
 Depreciation Schedule as per Comp. Act-2019-20

Items	Useful Life	Gross Block				Depreciation			Net Block	
		Value as on 01.04.2019	Addition During Year	Sale / Write Off and Adj	Total Value as on 31.03.2020	Accumulated Depreciation as per last yr. Balance sheet	Depreciation during the year as per useful life	Total value at the end	As on 31.03.2020	As on 31.03.2019
Factory Building (Leasehold)	57	7,909,450	-	-	7,909,450	812,659	375,406	1,188,065	6,721,385	7,096,791
Plant & Machinery	15	2,776,689	13,072,740	-	15,849,429	1,944,439	1,391,926	3,336,365	12,513,064	832,250
Electrical Equipment	15	782,349	556,737	-	1,339,086	512,434	93,699	606,133	732,953	269,915
Furniture & Fixtures	10	870,824	424,599	-	1,295,423	376,846	200,810	577,656	717,767	493,978
Computer	3	535,239	357,753	-	892,992	283,227	142,363	425,590	467,402	252,012
Car	8	1,106,154	-	-	1,106,154	790,519	250,786	1,041,305	64,849	315,635
Sap Software	6	795,070	130,000	-	925,070	33,869	350,353	384,222	540,848	761,201
Mahindra XUV500	8	-	1,380,944	-	1,380,944	-	281,084	281,084	1,099,860	-
Electronic Equipment	10	-	22,500	-	22,500	-	3,024	3,024	19,476	-
<b>Total</b>		<b>14,775,775</b>	<b>15,945,273</b>	<b>-</b>	<b>30,721,048</b>	<b>4,753,993</b>	<b>3,089,451</b>	<b>7,843,444</b>	<b>22,877,604</b>	<b>10,021,782</b>

**Capital Work In Progress**

Building Work In Progress		115,506			115,506					115,506
<b>Total</b>		<b>115,506</b>	<b>-</b>	<b>-</b>	<b>115,506</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,506</b>



Note-09

COMPUTATION OF DEFERRED TAX FOR THE YEAR ENDING ON 31.3.2020

<b>DEFERRED TAX LIABILITY AS ON 31.3.2020</b>	<b>As on 31.3.2020</b>	<b>As on 31.3.2019</b>
	<b>Amount in Rs.</b>	<b>Amount in Rs.</b>
Deferred Tax Asset		
Depreciation as per Companies Act	3,089,451	1,929,227
Depreciation as per Income Tax Act.	3,156,953	1,541,437
Difference	(67,502)	387,790
Effective Future Tax rate	26.00	26.00
<b>Current Year Deferred Tax Liability</b>	<b>(17,550)</b>	<b>100,825</b>
Deferred Tax Asst as per Last Account	36,181	64,644
Provision for Net deferred Tax Asset transferred to BS	<b>18,631</b>	<b>36,181</b>



**V DEAL SYSTEM PRIVATE LIMITED**

**RELATED PARTY DISCLOSURES**

As per Accounting standard -18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the name of the related parties where control exists are given below :

Name of the related party	Nature of relationship
Dhiraj Kochar	Key Management Personnel
Vimal Prakash Kochar	Key Management Personnel
Manju shree Kochar	Key Management Personnel

The details of transaction between Company & Related parties are as follows :

Sl No	Nature of transaction	Amount (in Lacs)	Associates	Key Mgt. Personnel
1	Director Remuneration	19.80		Dhiraj Kochar



## V DEAL SYSTEM PRIVATE LIMITED.

### NOTES ON BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

#### 1. Corporate Information

Vdeal System Pvt Ltd. ("the Company") is a company domiciled in India and incorporated under the provisions of the Companies Act. 1956.

The Company is primarily engaged in Manufacturing and trading of Electrical Goods and machineries for industrial buyers and others customers of the country, the company is also engaged turnkey projects for substations industrial utilities, it includes design, supply, testing & commissioning as per the customer's requirements, in addition to it the company also is in active system integration for ABB, Schneider for automation.

#### 2. Accounting Policies

##### a) Basis of Accounting

The accounts have been prepared on historical cost convention as a going concern on accrual basic, in accordance with the requirements of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India (Indian GAAP) and comply with the accounting standards notified under the Companies (Accounting Standards) rules,2006 (as amended) to the extent applicable. Accounting policies have been consistently applied and where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use, such changes are suitably incorporated. The management evaluates all recently issued or revised accounting standards on an ongoing basis.

##### b) Revenue Recognition

Revenue from services is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue includes consideration received or receivable but net of discounts and other service related taxes. All other incomes are recognized on accrual basis.

##### c) Fixed Assets

All fixed assets are valued at cost less depreciation/amortization. The cost of an asset includes the purchase cost of assets, including non refundable taxes, and directly attributable costs of bringing as asset to the location and condition of its intended use.



d) **Depreciation on Fixed Assets**

Depreciation has been provided on the basis of Useful Lives of the respective assets as stated in the Schedule 2 of the Companies Act, 2013. On this basis, few assets have been re-grouped under the below stated headings considering their usage and useful lives. The following Useful Lives have been considered:

Sl No	Items of Assets	Useful Life (Yrs)
1	Factory Building (Leasehold)	57
2	Plant & Machinery	15
3	Electrical Equipment	15
4	Furniture & Fixtures	10
5	Computer	3
6	Car	8
7	Sap Software	6
8	Mahindra XUV500	8
9	Electronic Equipment	10

e) **Inventories**

Stores and consumables are valued at Cost. Closing WIP is valued at cost.

f) **Borrowing Costs**

Borrowing costs are cost that the company incurs in connection with borrowing of funds either for acquisition of assets or for working capital purposes. All the borrowing costs are recognized as an expenses in the profit and loss account in the period in which they are incurred.

g) **Employee Benefits**

Short term employee benefits are recognized as an expense in the profit and loss account of the period in which the related service is rendered.

h) **Taxes on Income**

**Current Taxes**

Current income tax expenses comprises taxes on income from operations in India and is determined in accordance with the provisions of the Income Tax Act, 1961.



## Deferred Taxes

Deferred tax expenses of benefit is recognized on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in subsequent period. Deferred tax assets and liabilities are calculated using the tax rates and tax laws prevailing on the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate tax ('MAT') credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the institute of Chartered Accountants of India, the said asset is created by way of credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonable certain that the company will pay normal income tax during the specified period.

### i) Earning Per Share

The company reports basis and diluted earnings per share in accordance with Accounting Standard (AS) 20- Earnings Per share. Basic earnings per equity share have been computed by dividing net profit after tax attributable to equity share holders by the weighted average numbers of equity shares outstanding during the period. Diluted earnings during the period adjusted for the effects of all dilutive potential equity shares per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

a. Earnings per share	<u>31.03.2020</u>	<u>31.03.2019</u>
Net Profit/(Loss) for the Period	9,93,274	25,26,853
Number of equity shares	29,786	29,786
Weighted average number of share	29,786	29,786
Basic and diluted earnings per share (Rs.)	33.35	84.83
Face Value per equity share (Rs.)	100	100

